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NEWS to USE FOR EMPLOYERS

Public Employee Retirement System of Idaho

February 2020

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LET YOUR EMPLOYEES KNOW THE ADVANTAGES OF THEIR PERSI CHOICE 401(k) PLAN

Considering taking a loan from your PERSI Choice 401(k) Plan? That can be tempting. Taking a loan from a 401(k) plan is easier than getting a bank loan. Plus, you pay your account back, with interest, through convenient payroll deductions. Sounds good so far. What are the downsides, if any?

Here are some things to consider:

- ▶▶ The money borrowed isn't being invested. That means you miss out on the tax-deferred growth and compounded earnings the money would have otherwise generated.
- ▶▶ Your take-home pay is less because of the required loan payment.
- ▶▶ A 401(k) plan loan is repaid with after-tax dollars. That means future withdrawals will be taxed again on the interest component.
- ▶▶ If you leave your job before the loan is repaid, you still have to pay the loan in full. If not, the loan goes into default and becomes taxable income. It may also be subject to a 10% IRS penalty for withdrawals prior to age 59-1/2.



Empower Retirement, the recordkeeper for the Choice Plan, has a calculator on its website that you can use without even logging in (www.mypersi40k.com - "Learning center" then "Wellness and financial resource center," then "calculators," then "Borrowing from your retirement plan") to help evaluate the pros and cons of taking a loan. The loan calculator is also available after logging into your account.

If you would like to learn more, you can reach a representative at 866-437-3774 on Saturdays from 7:00 a.m. to 3:30 p.m. and Monday – Friday, 6:00 a.m. to 8:00 p.m. Mountain Time.



ATTENDING A PERSI WORKSHOP IS EVEN EASIER!

Keeping employers and members informed is a priority for PERSI. We want to make sure you and your employees are taking advantage of your face-to-face training opportunities when PERSI trainers are in your area. PERSI members can register for *any* PERSI workshop at *any* hosting agency/employer location.

Our trainers want to meet and speak with members in all stages of their career. Whether you are a new member, a member considering retirement, or somewhere in the middle, our trainers can help you understand your PERSI benefit. Go to PERSI's website and click the **Check Workshop Schedule** link.

If you do not see a workshop in your area and would like to host one, you can contact PERSI by email at workshops@persi.idaho.gov or call us at 208-287-9291 to schedule a workshop with one of our trainers.



ARE YOU USING CURRENT FORMS?

When submitting an employer form to PERSI, please make sure it is the most current version: one with a barcode in the lower right corner of the form. If the form does not have a barcode, it is an old version. All PERSI employer forms are posted online at www.persi.idaho.gov under the "Employers" tab.

If you have questions, call the PERSI Employer Service Center at 1-866-887-9525 or 208-287-9525.

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WHAT DOES RETIREMENT LOOK LIKE FOR YOU?

Employees can get a better idea of what their retirement will look like with the myPERSI Benefit Calculator and the new Benefit Calculator Guide. Employees can create up to 5 unique retirement scenarios at a time for their situation. The calculator will also give the option to determine possible retirement dates with Purchase of Service. Employees can walk through steps to learn what their possible retirement estimates may be and earliest possible retirement date. To access your myPERSI Benefit Calculator, you must be registered for a myPERSI account. Go to www.persi.idaho.gov and click the button to get started!

PERSI INVESTMENT REPORT

Month to Date Report

January 17, 2020

CURRENT VALUE OF THE FUND	\$	19,930,979,274
FISCAL YEAR NET CHANGE IN ASSETS	\$	1,411,571,220
FISCAL YEAR TO DATE RETURNS		8.4%
MONTH TO DATE RETURNS		1.6%

Each month, PERSI Chief Investment Officer Bob Maynard presents his investment report to the PERSI Retirement Board and posts it to the PERSI website.